

**State of Delaware**

Health Plan Fund & Equity/Monthly Stmt Reporting  
Glossary of Important Health Care Terms

**Terms directly tied to Fund & Equity/Monthly Stmt**

Terminology	Acronym	Definition
ACA Fees		Plan sponsors and employers are required pay certain fees in accordance with the ACA. These include the PCORI and Transitional Reinsurance Fees.
Administrative Fees		Fixed monthly fees which the GHIP pays to the health and prescription vendors for contracted services outlined in the ASO agreements.
Average Members		Based on monthly enrollment reporting received from TPAs
Balance Forward		Amount in the GHIP on the last day of the prior reporting month.
Claim Liability		Amount estimated as necessary to pay health and prescription claims incurred but not yet paid and invoiced to the GHIP.
Cobra Fees		The GHIP contracts with a vendor for COBRA administration. The fees associated are negotiated and agreed upon pursuant to the contract.
Commercial Prescription Plan		The prescription drug plan available to employees and pensioners enrolled in an active or non-Medicare GHIP health plan.
Consultant/Actuarial Fees		The GHIP contracts with consultants/actuarial firms for administrative and financial support. The fees associated are negotiated and agreed upon pursuant to the contract.
Current Balance		The Fund Equity Balance
Data Warehouse and Analytics		The GHIP contracts with a vendor for data warehouse and data analytics services. The fees associated are negotiated and agreed upon pursuant to the contract.
Difference		Shortfall amount between the Recommended Target and Current Balance
Employee Assistance	EAP	Each employee/non-Medicare pensioner and their dependents enrolled in the GHIP is automatically enrolled and eligible for Employee Assistance Plan benefits. The GHIP pays the EAP vendor a negotiated PEPM payment.
Express Scripts (non-Plan D)		see <i>Commercial Prescription Plan</i>
Express Scripts (Plan D)		see <i>Employer Group Waiver Plans</i>
Fiscal Year	FY	A year as reckoned for taxing or accounting purposes. GHIP fiscal year runs from July 1st through June 30th.
Fund Equity Balance		Amount in the GHIP on the last day of the reporting month net of revenue and expenses for the reporting month along with any balance (positive or negative) carried from the prior reporting month.
Medicare Part D Coverage Gap Discount		see <i>Coverage Gap Discount Program</i>
Medicare Retiree RX Program (EGWP) Direct Subsidy		One of the funding components of an EGWP. CMS provides monthly payments to EGWP sponsors to subsidize the cost sharing of covered Part D Medicare beneficiaries. The payments are equal to the Part D national average subsidy, risk adjusted for demographic/health status of each member.
Minimum Reserve		Amount estimated as necessary to pay for unexpected or catastrophic claims incurred by GHIP members and serves as a safety net in lieu of stop loss insurance coverage.
Net Income		Sum difference between total operating revenues and total operating expenses. This amount can be reflected as a positive (gain) or negative (loss).
Office Operations (OMB)		Salaries, other employment costs, SBO lease and other office operation expenses
Other Expenses		Expenses of the GHIP other than health and prescription claim payments.
Other Revenues		Revenues of the GHIP other than premium contributions
Participating Group Fees		Certain employer groups are permitted by Del Code Title 29 Chapter 52 to participate in the GHIP. In addition to the monthly rates approved annually by the SEBC for each of the health plans available, these employer groups are assessed a 5% risk fee and a \$2.70 administrative fee for each health plan contract.

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Premium Contributions	PC	Monthly rates paid by the State of Delaware, Office of Pensions and other Participating Organizations to the GHIP for their employees and/or pensioners enrollment in a health plan. These monthly rates are approved annually by the SEBC.
Prescription Drug Rebates (Commercial)		Reimbursements that PBMs negotiate with drug manufacturers when the manufacturer's brand name drugs are included in the PBM's drug formulary. These reimbursements are passed to plan sponsors when members obtain the brand name drugs under the prescription benefit. The amount of the reimbursements per script are based upon contract terms negotiated between the plan sponsor and the PBM.
Prescription True Up/Year End Reconciliation Payments		Annual payments received by the GHIP after the plan year prescription drug plan reconciliations are completed. The reconciliations are performed to ensure that the GHIP receives all revenue reimbursements including but not limited to rebates, subsidy, discount and coverage discount payments in accordance with the terms of the prescription plan PBM contract.
Recommended Target		Amounts recommended by the GHIP consultants/actuaries to maintain in the GHIP based on historical claims experience.
Total Operating Expenses		Sum total of all expenses of the GHIP
Total Operating Revenues		Sum total of all revenue collected by the GHIP
Variance		Difference between actual and budget
Wellness		Each employee/non-Medicare pensioner enrolled in the GHIP is automatically enrolled and eligible for health management, wellness and disease management services. Any fees associated with GHIP contracts to administer these programs or incentive payments for participation are tracked as wellness expenses. Wellness services provided by the TPA vendors are included in the ASO fees.
Year to Date	YTD	A period, starting from the beginning of the current year (either the calendar year or fiscal year) and continuing up to the present day. For this financial reporting document, YTD refers to the time period of July 1, 2015 to June 30, 2016.
Year to Date Actual		The actual revenue or expense accumulated year to date for each category.
Year to Date Budget		The budgeted revenue or expense estimated year to date for each category.

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#### Terms indirectly tied to Fund & Equity/Monthly Stmt

Terminology	Acronym	Definition
Administrative Services Only	ASO	When an organization funds its own employee benefit plan, such as a health insurance program, and it hires an outside firm to perform specific administrative services. Also referred to as "self-funded". Currently, the GHIP has ASO contracts with Aetna, Highmark and Express Scripts.
ACA	ACA	Affordable Care Act
Coverage Gap Discount Program	CGDP	One of the funding components of an <i>EGWP</i> . Manufacturers provide discounts on covered Part D brand prescription drugs to Medicare beneficiaries while in the coverage gap.
Employee	EE	A person employed for wages or salary. Each employee enrolled in a GHIP health plan is equivalent to one contract.
Employer Group Waiver Plans	EGWP	A Center for Medicare Service (CMS) approved program for both employers and unions. An employer may contract directly with CMS or go through an approved TPA, such as ESI, to establish the plan. They are usually Self Funded, are integrated with Medicare Part D, and sometimes include a fully insured "wrapper" around the plan to cover non-Medicare Part D prescription drugs. GHIP currently contracts with ESI as the TPA and includes a "wrapper," which is referred to as an enhanced benefit.
Group Health Insurance Program	GHIP	The State of Delaware Group Health Insurance Program
Patient-Centered Outcomes Research Trust Fund Fee	PCORI	The Patient-Centered Outcomes Research Trust Fund fee is a fee on plan sponsors of self-insured health plans that helps to fund the Patient-Centered Outcomes Research Institute (PCORI). The institute will assist, through research, patients, clinicians, purchasers and policy-makers, in making informed health decisions by advancing the quality and relevance of evidence-based medicine. The institute will compile and distribute comparative clinical effectiveness research findings. This fee is part of the Affordable Care Act legislation.
Pensioner		A person retired and receiving a pension benefit from a former employer. Each pensioner enrolled in a GHIP health plan is equivalent to one contract.
Per Employee Per Month	PEPM	A monthly cost basis measured on an employee/contract/subscriber level
Per Employee Per Year	PEPY	A yearly cost basis measured on an employee/contract/subscriber level
Per Member Per Month	PMPM	A monthly cost basis measured on a member level
Per Member Per Year	PMPY	A yearly cost basis measured on a member level
Pharmacy/Prescription Benefit Manager	PBM	A third party company contracted by a Plan Sponsor to administer prescription drug programs. For the GHIP, this is Express Scripts.
Plan Sponsor		An organization that offers its own employee health plan. See <i>self-funded</i> .
Self-Funded		An organization that offers an employee health plan using TPAs for administrative services (claims adjudication, provider network, customer service) and pays the actual claims expenses of the enrolled members. See <i>Administrative Services Only</i>
Self-Insured	SI	See <i>Administrative Services Only</i> and <i>Self-Funded</i>
State Employee Benefits Committee	SEBC	The committee responsible for control and management of all employee benefit coverages including health care insurance and other employee benefit coverages with the exception of deferred compensation and pension pursuant to Delaware Code Title 29 Chapters 51, 52 and 96.
Third Party Administrator	TPA	An outside firm to perform specific administrative services. Currently, the GHIP contracts with Aetna and Highmark for ASO services.
Transitional Reinsurance Fee	TRF	Fee collected by the transitional reinsurance program to fund reinsurance payments to issuers of non-grandfathered reinsurance-eligible individual market plans, the administrative costs of operating the reinsurance program, and the General Fund of the U.S. Treasury for the 2014, 2015, and 2016 benefit years. This fee is part of the Affordable Care Act legislation, and ends after the 2016 benefit year.